

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

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September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Roanoke Redevelopment and Housing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roanoke Redevelopment and Housing Authority as of September 30, 2017, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis contained on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

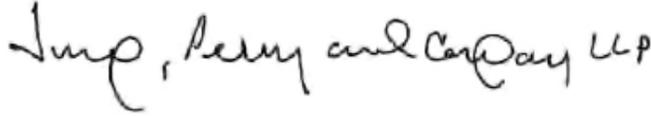
Our audits were conducted for the purpose of forming an opinion on the financial statements of the Roanoke Redevelopment and Housing Authority basic financial statements. The accompanying information listed as supplemental information, including the Financial Data Schedule and Schedule of Expenditures of Federal Awards required by the U.S. Office of Management and Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the financial data schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018 on our consideration of the Roanoke Redevelopment and Housing Authority's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roanoke Redevelopment and Housing Authority's internal control over financial reporting and compliance.

March 26, 2018
Toms River, New Jersey

Handwritten signature in black ink that reads "Jurg, Perry and Company LLP". The signature is written in a cursive, flowing style.

ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2017

The Roanoke Redevelopment and Housing Authority (the Authority or RRHA) is a political subdivision of the Commonwealth of Virginia and is empowered to implement housing, community development, redevelopment, and revitalization programs within the City of Roanoke, (the City). The City created the Authority in 1949 under the provisions of the United States Housing Act of 1937. Under Title 36 of the Code of Virginia, the Authority has the power to acquire, lease, and improve property, to acquire via eminent domain; to make loans or grants; to investigate and determine whether an area is blighted; and to carry out a redevelopment plan in cooperation with local government.

The Authority presents this discussion and analysis of its financial activities for the fiscal year ended September 30, 2017. Please read this overview of the Authority's financial activities in conjunction with the financial statements which begin on page 10.

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial section of this report includes management's discussion and analysis, the basic financial statements, and other supplementary information. The basic financial statements are composed of two parts: 1) the financial statements and 2) the notes to the basic financial statements. The other supplementary information included in the financial section of the report presents required information as well as some information that is not required yet considered of interest to readers of the report.

The primary focus of the Authority's financial statements is on the financial statements of a single business-type activity that combines all programs administered by the Authority. A separate column in the financial statements also shows the combined transactions of the Authority's real estate limited partnership component units.

The financial results of the discretely presented component units are not addressed in this management discussion and analysis.

FINANCIAL HIGHLIGHTS

The Authority's FY 2017 major financial highlights included the following:

Total assets and liabilities of the Authority were approximately \$56.6 million and \$3.8 million respectively; thus total net assets were approximately \$52.8 million at September 30, 2017.

Total assets increased during the year by approximately \$265,538 due to increases in cash which were the result of increased HUD funding in the Section Eight program and the sale of a Public Housing warehouse.

Total liabilities increased during the year by approximately \$203,910 due to increased Accounts Payable to Vendors and an increased liability due to the Authority's conversion from GASB 45 to GASB 75.

Total Revenues (including capital contributions and grants) and expenses were approximately \$26 million and \$26.2 million respectively.

Revenues are derived from various sources with approximately 82% received either directly from the U. S. Department of Housing and Urban Development (HUD) or indirectly from the City. Rental Revenues account for an additional 13% of total revenue; the remaining (5%) of revenue balance is derived from the sale of assets, miscellaneous fees for services, and nonoperating sources (i.e. investment income, and development fees).

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

AUTHORITY FINANCIAL STATEMENTS

The Authority's mission focuses on the planning, design, construction, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households, assisting in the revitalization of neighborhoods, and redevelopment of commercial and industrial areas in the City of Roanoke. As of September 30, 2017, the Authority owned over 2175 residential units that are leased to low-income families and individuals. In addition, housing assistance was paid to over 1,800 households under the Federal Housing Choice Voucher program for privately owned existing housing.

BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2017 management's discussion and analysis based on the financial results of its enterprise programs in three basic financial statements - the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. The statement of net position reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net position. Net position is broken down into the following three categories:

- *Net position, invested in capital assets, net of related debt* consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net position* consists of assets that are restricted by constraints placed on the asset by external parties, such as, creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net position* consists of net position that do not meet the definition of net position invested in capital assets, net of related debt, or restricted net position.

The statement of revenues, expenses, and changes in net position includes operating revenues, such as operating grants and rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and nonoperating revenues and expenses, such as investment income, interest expense, capital contributions and special items, such as impairment loss on capital assets. The statement's focus is the change in net position, which is similar to net income or loss.

Finally, a statement of cash flows is included, which discloses net cash flows from operating activities, capital and related financing activities, investing activities and noncapital financing activities.

These basic financial statements utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period they are incurred.

These financial statements represent over a dozen programs and activities. Most of these programs are financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by development and financing fees, and by loan proceeds. The Authority also administers housing and community development activities in which funding is controlled at the City level.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTERPRISE FUND)

The following table summarizes the changes in net position between September 30, 2017 and 2016 for the Authority as a whole:

	<u>2017</u>	<u>2016</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 14,496,511	\$ 13,244,874	\$ 1,251,637	9.45%
Current Assets	2,396,195	2,905,496	(509,301)	-17.53%
Non-current Assets	1,791,012	1,949,056	(158,044)	-8.11%
Capital Assets - Net	<u>37,876,007</u>	<u>38,194,761</u>	<u>(318,754)</u>	<u>-0.83%</u>
Total Assets	56,559,725	56,294,187	265,538	0.47%
Current Liabilities	1,585,245	1,468,499	116,746	7.95%
Non-current Liabilities	<u>2,200,037</u>	<u>2,112,873</u>	<u>87,164</u>	<u>4.13%</u>
Total Liabilities	<u>3,785,282</u>	<u>3,581,372</u>	<u>203,910</u>	<u>5.69%</u>
Invested in Capital Assets -net of Related Debt	37,408,976	37,547,447	(138,471)	-0.37%
Restricted Net Position	292,904	-	292,904	-
Unrestricted Net Position	<u>15,072,563</u>	<u>15,165,368</u>	<u>(92,805)</u>	<u>-0.61%</u>
Total Net Position	<u>\$ 52,774,443</u>	<u>\$ 52,712,815</u>	<u>\$ 61,628</u>	<u>0.12%</u>

Total assets of the Authority remained relatively unchanged for the 2017 fiscal year. Various individual asset categories experienced low to moderate changes that both increased and decreased during the year.

Cash increased approximately 9% due to the sale of a warehouse building in the Public Housing Program, net income in Central office, program income from the South Jefferson Redevelopment Plan, and increased funding from HUD in the Section Eight program.

Current assets decreased approximately 17.5% as a result of slight decreases in accounts receivable from HUD, mortgage loan receivables which were forgiven, investments which were closed and converted to cash, decreases in prepaid assets and the sale of a warehouse building.

Noncurrent assets decreased 8% due to payments and forgiveness of mortgages receivable and a decrease in the net value of the pension account.

Capital Assets decreased .8% due to annual depreciation.

Total liabilities increased 5.7% from prior year. Both current and non-current liabilities experienced slight increases during the year.

Current Liabilities increased 8% primarily due to an increase in accounts payable to outside vendors.

Non-current liabilities increased during the year by approximately 4% due to a decrease in loans and mortgages payable which was offset by a large increase in the Other Post Employment Benefits liability due to the Authority's conversion from GASB 45 to GASB 75.

Total net position remained relatively unchanged from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The following table summarizes the changes in operations between fiscal years 2017 and 2016 for the Authority as a whole:

	<u>2017</u>	<u>2016</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 3,578,225	\$ 3,637,872	\$ (59,647)	-1.64%
HUD Operating Grants	19,839,425	18,338,188	1,501,237	8.19%
Other Revenue	<u>649,616</u>	<u>519,843</u>	<u>129,773</u>	<u>24.96%</u>
Total Operating Revenue	24,067,266	22,495,903	1,571,363	6.99%
Operating Expenses:				
Administrative	3,269,156	3,086,304	182,852	5.92%
Tenant Services	996,637	955,272	41,365	4.33%
Utilities	1,899,635	1,794,952	104,683	5.83%
Maintenance	2,877,746	2,858,342	19,404	0.68%
Protective Services	160,996	58,509	102,487	175.16%
General Expenses	965,090	937,518	27,572	2.94%
Housing Assistance Payments	12,734,018	11,445,755	1,288,263	11.26%
Depreciation	<u>2,830,947</u>	<u>2,824,463</u>	<u>6,484</u>	<u>0.23%</u>
Total Expenses	25,734,225	23,961,115	1,773,110	7.40%
Operating Income (Loss)	(1,666,959)	(1,465,212)	(201,747)	13.77%
Non-operating Revenue (Expenses):				
Investment Income/ Mortgage Interest	22,358	11,209	11,149	99.46%
Interest Expense	(28,247)	(37,071)	8,824	-23.80%
Extraordinary Maintenance	(452,291)	-	(452,291)	-
Casualty losses	(10,270)	(5,220)	(5,050)	96.74%
Gain on the Sale of Capital Assets	<u>-</u>	<u>13,763</u>	<u>(13,763)</u>	<u>-100.00%</u>
Non-operating Loss	(468,450)	(17,319)	(451,131)	2604.83%
HUD Capital Grants	1,922,197	2,061,513	(139,316)	-6.76%
Net Change	<u>(213,212)</u>	<u>578,982</u>	<u>(792,194)</u>	<u>-136.83%</u>
Beginning Net Position	52,712,815	52,133,833	578,982	1.11%
Equity Adjustments	<u>274,840</u>	<u>-</u>	<u>274,840</u>	<u>-</u>
Total Net Position	<u>\$ 52,774,443</u>	<u>\$ 52,712,815</u>	<u>\$ 61,628</u>	<u>0.12%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Operating Revenue increased 7% primarily due to the increase in HUD operating grants of approximately \$1.5 million.

Tenant Rental Revenue decreased slightly due to a drop in rent charges which are based on tenant income levels.

HUD Operating grants increased \$1.5 million or 8% due to an increase in available Section Eight units and multiple ROSS grants operating during the year.

Other Revenue increased approximately \$129,773 or 25% due to a change in the recording of fraud recovery in Section Eight, in-kind donations in Central office, and increased management fee income in Business Activities.

Total Operating expenses increased by \$1.7 million or 7% primarily due to an increase in housing assistance payments. Administrative, utility, and protective services expenses also contributed slightly to the increase.

Administrative expenses increased 6% due to increased salary expenses which were the result of annual increases and filling of vacant positions.

Tenant Services expenses increased approximately 4% due to an increase in salary expenditures from annual increases and a few temporary positions in ROSS.

Utility expenses increased 6% due to increased charges for water, sewer, and gas expenses. Water and sewer usage increased during the 2017 year while gas rates increased. A new storm water charge also increased in 2017.

Protective Services increased \$102,487 or 175% due to a contract with Roanoke City police to patrol public housing sites.

Housing Assistance Payments increased \$1,288,263 or 11% due to an increase in available units in the Section Eight program.

Operating Loss increased \$201,747 or 14% due to the increase in expenses exceeding the increase in revenues. With a few exceptions, most programs in the Authority do not receive more revenue with increased expenses.

Investment Income increased 99% due to the liquidation of an investment in Public Housing.

Interest Expense decreased 24% due to the payoff of notes payable in the City Activities program in 2016 and the regular monthly payments on a mortgage in Business activities driving down the interest costs each year.

Extraordinary Maintenance increased 100% due to increased spending in maintenance of Public Housing sites.

Casualty losses increased 97% due to an increase in Public Housing unit damage due to fires and vehicle damage.

Sale of Capital Assets decreased 100% due to the sale of surplus vehicles in 2016 which did not occur in 2017.

Non-operating loss increased \$451,131 which is 2605% primarily due to extraordinary maintenance which were purposed expenditures to reduce reserves.

HUD Capital Grants decreased 7% due to a decrease in capital grant expenditures during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 16,576,578	\$ 15,820,573	\$ 756,005	4.78%
Infrastructure	3,109,317	3,109,317	-	0.00%
Buildings and Improvements	76,729,453	76,162,008	567,445	0.75%
Furniture and Equipment	3,715,056	3,234,528	480,528	14.86%
Construction in Progress	3,877,658	3,192,854	684,804	21.45%
Total	104,008,062	101,519,280	2,488,782	2.45%
Accumulated Depreciation	(66,132,055)	(63,324,519)	(2,807,536)	4.43%
Net Capital Assets	<u>\$ 37,876,007</u>	<u>\$ 38,194,761</u>	<u>\$ (318,754)</u>	<u>-0.83%</u>

Variances in capital assets were primarily due to modernization projects that were active or completed during the year.

Debt Administration:

- *City of Roanoke Loans* - the Authority entered into an agreement with the City of Roanoke to finance a portion of home rehabilitation loans. The outstanding balance on amounts owed to the City of Roanoke was \$730,027 at September 30, 2017.

Economic Factors

The Authority continues to face uncertainties regarding the subsidized funding levels provided by HUD for its assisted housing programs. These uncertainties have both an immediate and long range impact on the operations of the Authority. In 2017 the Authority received 82% of its funding from HUD.

The Public Housing program funding percentages by fiscal year are shown below. Prior to 2010 housing agencies had not been fully funded since 2002.

<u>Fiscal Year</u>	<u>Percentage</u>	<u>Fiscal Year</u>	<u>Percentage</u>
2017	93%	2013	82%
2016	90%	2012	95%
2015	85%	2011	100%
2014	88%		

The Capital Fund program funding continues to fall short of the Authority's annual capital needs.

The Housing Choice Voucher (HCV) program HAP funding was decreased for calendar year 2017 to 97%. This is down from 99.6% in 2016. HCV Administrative fees were funded at 74.25% for calendar year 2017, 83.94% for 2016, and 80.11% for 2015.

In addition to the uncertainties of federal funding for the 2018 fiscal year, the Authority also faces the challenge of escalating management costs for their programs. RRHA's management staff continues to closely monitor these programs and seek out innovative cost reduction measures to fulfill its mission.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the VP of Finance/CFO, Roanoke Redevelopment & Housing Authority, 2624 Salem Turnpike, NW, Roanoke, VA 24017 or visit our website at www.rkehousing.org.

BASIC FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority
Statement of Net Position
September 30, 2017

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 13,791,486	481,456	14,272,942
Accounts receivable - other	361,331	-	361,331
Accounts receivable - tenants, net	65,873	24,447	90,320
Notes & mortgage receivable - current	151,032	-	151,032
Prepaid expenses	255,168	30,266	285,434
Accrued interest receivable	95	-	95
Assets held for sale	<u>1,562,696</u>	<u>-</u>	<u>1,562,696</u>
Total current assets	<u>16,187,681</u>	<u>536,169</u>	<u>16,723,850</u>
RESTRICTED ASSETS:			
Cash and cash equivalents	<u>705,025</u>	<u>601,187</u>	<u>1,306,212</u>
Total restricted assets	<u>705,025</u>	<u>601,187</u>	<u>1,306,212</u>
NONCURRENT ASSETS:			
Land, structures and equipment net of accumulated depreciation	<u>37,876,007</u>	<u>16,832,601</u>	<u>54,708,608</u>
Total fixed assets, net	<u>37,876,007</u>	<u>16,832,601</u>	<u>54,708,608</u>
Notes & mortgages receivable, non-current	1,139,045	-	1,139,045
Other assets	<u>261,474</u>	<u>16,182</u>	<u>277,656</u>
Total assets	<u>56,169,232</u>	<u>17,986,139</u>	<u>74,155,371</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows	<u>390,493</u>	<u>-</u>	<u>390,493</u>
Total deferred outflows of resources	<u>390,493</u>	<u>-</u>	<u>390,493</u>
Total assets and deferred outflows of resources	<u>\$ 56,559,725</u>	<u>17,986,139</u>	<u>74,545,864</u>

Roanoke Redevelopment and Housing Authority
Statement of Net Position
September 30, 2017

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT LIABILITIES:			
Accounts payable	\$ 887,704	21,208	908,912
Accounts payable - HUD	427	-	427
Accrued wages and payroll taxes	80,800	-	80,800
Accrued compensated absences	105,083	-	105,083
Accrued interest	1,364	10,842	12,206
Tenant security deposits	153,485	29,500	182,985
Notes payable, current portion	287,599	79,679	367,278
Deferred revenues	39,851	5,969	45,820
Other current liabilities	<u>28,932</u>	<u>462</u>	<u>29,394</u>
Total current liabilities	<u>1,585,245</u>	<u>147,660</u>	<u>1,732,905</u>
NONCURRENT LIABILITIES:			
Notes payable, excluding current portion	1,010,615	6,902,443	7,913,058
Other liabilities	<u>1,139,562</u>	<u>1,283,301</u>	<u>2,422,863</u>
Total noncurrent liabilities	<u>2,150,177</u>	<u>8,185,744</u>	<u>10,335,921</u>
Total liabilities	<u>3,735,422</u>	<u>8,333,404</u>	<u>12,068,826</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows	<u>49,860</u>	<u>-</u>	<u>49,860</u>
Total deferred inflows of resources	<u>49,860</u>	<u>-</u>	<u>49,860</u>
NET POSITION:			
Invested in capital assets, net	37,408,976	9,850,479	47,259,455
Restricted	292,904	571,755	864,659
Unrestricted	<u>15,072,563</u>	<u>(769,499)</u>	<u>14,303,064</u>
Total net position	<u>52,774,443</u>	<u>9,652,735</u>	<u>62,427,178</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 56,559,725</u>	<u>17,986,139</u>	<u>74,545,864</u>

Roanoke Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes
in Net Position
For the Year Ended September 30, 2017

	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
Operating revenues:			
Tenant revenue	\$ 3,578,225	746,489	4,324,714
HUD operating grants	19,839,425	-	19,839,425
Other government grants	8,729	-	8,729
Proceeds from the disposition of assets held for sale	451,100	-	451,100
Cost of sale of assets	(595,007)	-	(595,007)
Other revenue	<u>784,794</u>	<u>3,620</u>	<u>788,414</u>
Total operating revenue	<u>24,067,266</u>	<u>750,109</u>	<u>24,817,375</u>
Operating expenses:			
Administrative salaries	1,883,617	37,439	1,921,056
Other administrative expenses	1,385,539	122,505	1,508,044
Tenant / community services	996,637	-	996,637
Utility expense	1,899,635	50,342	1,949,977
Maintenance salaries	799,853	19,766	819,619
Maintenance other	2,077,893	123,450	2,201,343
Contract / protective services	160,996	2,196	163,192
Insurance	303,160	62,195	365,355
Other general expenses	407,643	98,899	506,542
Bad debt	114,121	4,487	118,608
Payments in lieu of taxes	140,166	-	140,166
Housing assistance payments	12,734,018	-	12,734,018
Depreciation	<u>2,830,947</u>	<u>684,919</u>	<u>3,515,866</u>
Total operating expenses	<u>25,734,225</u>	<u>1,206,198</u>	<u>26,940,423</u>
Operating loss	<u>(1,666,959)</u>	<u>(456,089)</u>	<u>(2,123,048)</u>
Non-operating revenues (expenses):			
Investment income / mortgage interest	22,358	727	23,085
Extraordinary maintenance	(452,291)	-	(452,291)
Interest expense	(28,247)	(138,793)	(167,040)
Gain (Loss) on sale of fixed assets	-	-	-
Casualty losses	<u>(10,270)</u>	<u>-</u>	<u>(10,270)</u>
Total non-operating revenues (expenses)	<u>(468,450)</u>	<u>(138,066)</u>	<u>(606,516)</u>
Loss before capital contributions	(2,135,409)	(594,155)	(2,729,564)
Capital contributions	<u>1,922,197</u>	<u>-</u>	<u>1,922,197</u>
Change in net position	(213,212)	(594,155)	(807,367)
Total net position, beginning	<u>52,712,815</u>	<u>10,246,890</u>	<u>62,959,705</u>
Prior Period Adjustment	<u>274,840</u>	<u>-</u>	<u>274,840</u>
Total net position, end of year	<u>\$ 52,774,443</u>	<u>9,652,735</u>	<u>62,427,178</u>

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows - All Enterprise Funds
For the Year Ended September 30, 2017

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,580,543
Receipts operating grants and subsidies	19,861,057
Other receipts (payments)	831,896
Payments to suppliers and employees	<u>(21,570,838)</u>
Net cash flows provided by operating activities	<u>2,702,658</u>

Cash Flows from Capital and Related Financing Activities:

Purchases of capital assets	(2,641,523)
Disposal of capital assets	129,330
Interest paid on capital debt	(28,893)
Principal payments of notes payable	(482,678)
Capital grant contributions	1,922,197
Casualty losses	(10,270)
Extraordinary maintenance	<u>(452,291)</u>
Net cash flows used in capital and related financing activities	<u>(1,564,128)</u>

Cash Flows from Investing Activities:

Accrued interest receivable	1,951
Advances on notes receivable	68,512
Interest and dividends	<u>42,644</u>

Net cash flows provided by investing activities	<u>113,107</u>
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Net increase in cash 1,251,637

Cash at beginning of year 13,244,874

Cash at end of year \$ 14,496,511

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows (continued) - All Enterprise Funds
For the Year Ended September 30, 2017

Reconciliation of operating income to cash provided by
operating activities

Operating loss	\$ (1,666,959)
Items which did not provide (use) cash:	
Depreciation	2,830,947
Prior Period Adjustment	274,840
Bad debt	103,873
Working capital changes which provided (used) cash:	
Accounts receivable - tenants	(101,555)
Accounts receivable - other	12,903
Other assets	191,009
Deferred revenue	(76,178)
Prepaid expenses	14,411
Assets held for sale	441,704
Accounts payable- HUD	(326)
Accounts payable	215,107
Accrued expenses	(7,157)
Other liabilities	492,255
Tenant security deposits	1,791
Other current liabilities	<u>(24,007)</u>
Net cash provided by operating activities	<u>\$ 2,702,658</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund.

The Authority has multiple programs which are accounted for as one business type activity for financial reporting purposes which are presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting, and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board on or before November 30, 1989, and those issued after November 30, 1989 except for those that conflict with or contradict Governmental Accounting Standards Board pronouncements.

B. Cash

The Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in the calculation of collateral required.

C. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due.

An allowance for doubtful accounts is established to provide for all accounts that may not be collected in the future for any reason.

D. Investments

The required disclosures for investments carried at fair value on a recurring basis are detailed in Note 4.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Investments (continued)

The Fair Value Measurements Topic of the Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the asset or liability. Management did not elect the fair value option for certain financial assets and financial liabilities, which were all eligible for the fair value option, since those instruments were not affected by changes in management's risk management and investment strategy.

E. Prepaid Items

Prepaid items consists of payments made to vendors for services that will benefit future periods.

F. Assets Held for Resale

These assets consist of foreclosure homes, rental and commercial properties. The foreclosure homes and rental properties are listed at actual cost while the commercial property is listed at actual cost less impairment.

G. Deferred Revenue

The Authority recognizes revenues as it is earned. Revenue received in advance of the period in which it is earned is recorded as a liability under deferred revenue.

H. Revenue Accounting Policies

Dwelling rental income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue are shown as non-operating income. The financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

I. Postemployment Benefits

For the year ended September 30, 2009, the Authority implemented the requirements of GASB Accounting Standards Codification related to postemployment benefits which recognizes the cost of postemployment health benefits in the same year the employee services are received. Recognition of prior years accumulated liability is being phased in over 30 years as the Authority has adopted the requirements prospectively.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Property and Equipment

Property and equipment are recorded at cost. The capitalization threshold for non-infrastructure capital assets including machinery and equipment is \$5,000. The capitalization threshold for infrastructure related capital assets and any improvements that extend the useful life of the asset is \$50,000. All costs associated with the purchase or construction are considered for capitalization, including interest. Maintenance and repair costs are expensed while significant betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and is expensed in the Statement of Revenues, Expenses, and Changes in Net Position. Estimated useful lives are as follows:

Dwellings and improvements	15-40 years
Furniture, equipment, and machinery	5 years
Infrastructure	30 years

K. Intangible Assets

Intangible assets with finite useful lives are amortized over their estimated useful life. Expenses relating to the issuance of loans are capitalized and expensed using a straight-line basis over the life of the loan.

L. Fair Value Measurements

Fair Value Measurements Topic of the Codification was established to create a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements. It also expands disclosures about fair value measurements. It applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. Items carried at fair value on a recurring basis consist of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets.

M. Long-lived Assets

The Authority evaluates the carrying value of long-lived assets. When indications of an impairment are present, the recoverability of the carrying value of the assets in question are assessed based on the future undiscounted cash flows expected to result from their use. If the carrying value cannot be recovered, impairment losses are recognized to the extent the carrying value exceeds fair value.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

2. REPORTING ENTITY DEFINITION

The Roanoke Redevelopment and Housing Authority (the Authority or RRHA) was created by the City of Roanoke in 1949 under the provisions of the United States Housing Act of 1937. The Authority is governed by a seven member board of commissioners which are appointed by Roanoke's City Council for staggered four year terms. The Board elects a chairman and employs an Executive Director to administer the affairs of the Authority.

The Authority is a separate political subdivision of the State of Virginia. The Authority has complete legislative and administrative authority over its affairs and recruits and employs personnel. The Authority has substantial legal authority to control its affairs without local government approval therefore all operations of the Authority are a separate reporting entity as reflected in this report.

The Authority adopts an annual budget that is approved by the Board of Commissioners. Subsidies are received primarily from the Department of Housing and Urban Development (HUD). The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying certain criteria. These criteria include manifestation of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

Discretely Presented Component Units

Roanoke Valley Housing Corporation (RVHC) - was created as a not-for-profit affiliate organization of the Authority and incorporated in 1995. RVHC was created to assist the Authority in its mission to provide affordable housing to low-income families in the City of Roanoke, (the City). Roanoke Valley Housing Corporation is the sole member of the general partner of Stepping Stone, LP, Indian Village, LP, Park Street Housing, LP, and Hurt Park, LP.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Stepping Stone, Limited Partnership (SSLP) The Authority has significant influence over the general partner, Stepping Stone Apartments, LLC, of a real estate limited partnership (SSLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing 15 duplex units at the Villages at Lincoln. The Authority applied for and received an allocation of low-income housing tax credits from the Virginia Housing Development Authority. On November 10, 2003, the Authority conveyed 15 vacant lots to SSLP and construction began in August 2004. RVHC acted as the developer on this project which was completed in October 2005. Marketing for Stepping Stone Apartments began in January 2005 and rental of the duplex units to tenants began in March 2005.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Stepping Stone Apartments is vested with Stepping Stone Apartments, LLC. The Authority has entered into a fifteen-year agreement with SSLP to manage the thirty units over the life of the tax credit compliance period. The limited partnership's December 31, 2016 year-end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Indian Village, Limited Partnership (IVLP) The Authority has significant influence over the general partner, Indian Village, LLC, a real estate limited partnership (IVLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating 24 apartment units. The Authority applied for and received low-income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in June 2006 with RVHC as the developer and was completed in January 2008.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Hillcrest Heights Town Homes is vested with Indian Village, LLC. The Authority has entered into a fifteen year agreement with IVLP to manage the twenty-four units over the life of the tax credit compliance period. The limited partnership's December 31, 2016 year end financial statements are included within the Authority's basic financial statements. Inquires regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Park Street Housing, Limited Partnership (PSLP) The Authority has significant influence over the general partner, Park Street Housing Development, LLC, a real estate limited partnership (PSLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating 25 apartment units. The Authority applied for an allocation of low income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in April 2006 with RVHC as the developer and was completed in December 2007.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Park Street Square is vested with Park Street Housing Development, LLC. The Authority has entered into a fifteen year agreement with PSLP to manage the twenty-five units over the life of the tax credit compliance period. The limited partnership's December 31, 2016 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Hurt Park, Limited Partnership (HPLP) The Authority has significant influence over the general partner, Hurt Park, LLC, a real estate limited partnership (Hurt Park, LP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating 40 apartment units. The Authority applied for and received low-income housing tax credits from the Virginia Housing Development Authority. Construction on the project began in 2007 with RVHC as the developer and was completed in May 2009.

The responsibility for management of the affairs of the limited partnership is vested with the general partner. The limited partnership's December 31, 2016 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

3. CASH AND INVESTMENT DEPOSITS

The U.S. Department of Housing and Urban Development, (HUD) requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

Deposits: The three credit risk categories are:

1. Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve bank) in the entity's name.
2. Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

As of September 30, 2017, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$14,496,511. All funds are covered by the federal depository insurance or by collateral held by the Authority's agent in the Authority's name. The Authority is authorized by HUD to invest in time deposits, certificates of deposits and obligations of the U.S. Treasury.

4. CONTRACTUAL COMMITMENTS

The Authority had Total Outstanding Contractual Commitments of \$6,579,382 as of September 30, 2017.

5. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workman's compensation. The Authority established a risk management program for employee's group health insurance in 1995. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

6. CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

7. SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives of assets and to reserves for uncollectibility of notes and mortgages receivable. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

8. PENSION PLAN

The Authority became a member of the Virginia Retirement System (VRS) on January 1, 2012. VRS is the administrator of governmental retirement plans qualified under Section 401(a) of the Internal Revenue Code. It is governed by the provisions of Title 51.1 of the Code of Virginia. Changes to the law can be made only by an act of the General Assembly. VRS is an independent state agency and as provided in the Constitution of Virginia, its funds are separate from other state funds and can be used only to administer and pay benefits for members, retirees and beneficiaries.

The VRS plan for political subdivisions is an agent, multiple-employer defined benefit pension plan with separate cost-sharing pools for each locality and is administered by the Virginia Retirement System. All full-time permanent employees are required to enroll in the VRS upon employment. The Authority also offers enrollment in the VRS defined contribution plan on a voluntary basis for full time and part time employees; temporary and contract employees are not eligible to participate in either plan.

8. PENSION PLAN (continued)

The defined benefit plan provides a lifetime monthly benefit during retirement based on retirement multiplier as a percentage of the member's average 60 consecutive months of highest compensation multiplied by the member's total service credit. The retirement multiplier for the Authority employees (considered non-hazardous duty members) is 1.7% for Plan 1 and Plan 2 members and 1.0% for Hybrid members. Plan 2 members retirement multiplier changes to 1.65% for service beginning January 1, 2013. Benefits vest after five years of service credit. Members earn one month of service credit for each month employed and for which they and the Authority paid contributions to VRS. The VRS administers three benefit structures for political subdivision employees - Plan 1, Plan 2, and Hybrid. The Authority employees are covered under Plan 2 (members joined on July 1, 2010 or later) or the Hybrid Plan (all members joined on January 1, 2014 or later). Members are eligible for unreduced benefits beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Active Plan 2 members are required to contribute 5% of their creditable compensation per year. Active Hybrid members are required to contribute 4% of their creditable compensation to the defined benefit plan and 1% to the defined contribution component of the Hybrid Plan. The Authority's required contribution rate for July 1, 2016 through June 30, 2018 is 5.68%. The required contribution rate is actuarially determined based on the Authority's employee population, covered payroll, and the benefits the Authority elected to provide to its employees. The contribution requirement for active employees is governed by the Code of Virginia but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly.

Members of VRS also have benefit coverage in the form of life insurance, disability coverage, long-term care benefits, and survivor/beneficiary benefits.

The Cost-of-Living Adjustment (COLA) is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to members who retire with twenty or more years of service. Members of all plans qualify for COLA on July 1 of the second calendar year after retirement.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Actuarial Assumptions

The Authority's total pension liability was determined by applying certain procedures to the actuarial valuation as of June 30, 2015, and rolling it forward to the measurement date of June 30, 2016. The actuarial valuation used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Payroll Growth Rate	3% / year
Remaining Amortization Period	19-28 years (decreasing by one each year in subsequent valuations until reaching 0 years)
Asset Valuation Method	5-Year, Smoothed Market
Investment Rate of Return*	7% / year
Inflation Assumption	2.50% / year
Projected Salary Increases*	
1) Non-LEO Members	3.50% To 5.35%
2) LEO Members	3.50% To 4.75%
Cost-of-Living adjustment	
1) Plan 1 Members	2.50%
2) Plan 2 Members	2.25%
Marriage Assumption	100% of active employees are assumed to be married, with spouses the same age as participants
Election of Deferred Termination Benefit	Terminating members are assumed to elect a return of contributions or a deferred annuity, whichever is most valuable at the time of termination. Termination benefits are assumed to commence at normal retirement.
Service Related Disability	Service related disability benefits do not include an adjustment for Social Security or Worker's Compensation benefits
Mortality Rates	14% of deaths are assumed to be service related
1) Pre-Retirement	RP-2000 Employee Mortality Table projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years
2) Post-Retirement	RP-2000 Combined Mortality Table projected with Scale AA to 2020 with males set forward 1 year
3) Post-Disablement	RP-2000 Disabled Life Morality Table with males set back 3 years and no provision for future mortality improvement

* Includes Inflation of 2.50%

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Summary Table of Membership Statistics, Asset Values, and Contribution Rates

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
1. Participants		
a. Actives	78	69
b. Transfers Out	3	2
c. Retirees and Beneficiaries	3	2
d. Retirees and Beneficiaries Elsewhere	-	-
e. Inactive, Vested	1	-
f. Inactive, Nonvested	<u>32</u>	<u>23</u>
Total	117	96
2. Covered Payroll	3,070,860	2,886,888
3. Averages for active members		
a. Average Age	47.2	48.9
b. Average Years of Service	3.3	3.9
c. Average Pay	39,370	41,839
4. Expected Retirement Benefits	33,108	23,825
5. Assets		
a. Market Value of Assets	2,073,933	2,176,515
b. Actuarial Value of Assets	2,114,961	2,110,714
6. Actuarial Accrued Liability	1,799,958	1,828,751
7. Unfunded Actuarial Accrued Liability	(315,003)	(281,963)
8. Normal Cost Rate		
a. Gross Normal Cost Rate	9.91 %	10.74 %
b. Member Contribution Rate	<u>4.61 %</u>	<u>4.78 %</u>
c. Employer Normal Cost Rate (8a-8b)	5.30 %	5.96 %
9. Recommended Employer Contribution Rate for	Informational	
Fiscal Year Ending	Purposes Only	2017 & 2018
a. Employer Normal Cost Rate	5.30 %	5.96 %
b. Amortization Charge	(0.65)%	(0.59)%
c. Administrative Expenses	0.05 %	0.04 %
d. DC Match	<u>0.48 %</u>	<u>0.27 %</u>
e. Total(9a+9b+9c (not less than zero)+ 9d)	5.18 %	5.68 %
10. Amortization Period	18-27	19-28

Normal Cost

	June 30, 2016	June 30, 2015
1. Normal Cost as Percent of Payroll		
a. Retirement Benefits	6.55 %	6.94 %
b. Termination Benefits	1.36 %	1.54 %
c. Disability Benefits	1.69 %	1.93 %
d. Death Benefits	<u>0.31 %</u>	<u>0.33 %</u>
e. Total	9.91 %	10.74 %
2. Covered Payroll	3,070,860	2,886,888

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Discount Rate

The discount rate applied in the measurement of the total pension liability was 7.00%. The discount rate determination does not use a municipal bond rate for the Roanoke Redevelopment and Housing Authority. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board and the member rate. The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Projected future benefit payments were projected through 2121.

Long-Term (LT) Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension system investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic LT Expected Real Rate of Return</u>	<u>Weighted Avg LT Expected Rate of Return</u>
US Equity	19.50 %	6.46 %	1.26 %
Developed Non US Equity	16.50 %	6.28 %	1.04 %
Emerging Market Equity	6.00 %	10.00 %	0.60 %
Fixed Income	15.00 %	0.09 %	0.01 %
Emerging Debt	3.00 %	3.51 %	0.11 %
Rate Sensitive Credits	4.50 %	3.51 %	0.16 %
Non Rate Sensitive Credits	4.50 %	5.00 %	0.23 %
Convertibles	3.00 %	4.81 %	0.14 %
Public Real Estate	2.25 %	6.12 %	0.14 %
Private Real Estate	12.75 %	7.10 %	0.91 %
Private Equity	12.00 %	10.41 %	1.25 %
Cash	<u>1.00 %</u>	(1.50) %	<u>(0.02) %</u>
	<u>100.00 %</u>		<u>5.83 %</u>
Inflation			<u>2.50 %</u>
Expected arithmetic nominal return			<u>8.33 %</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Sensitivity Analysis

GASB 68 requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The net pension liability was calculated using a discount rate of 7.00%. The table below presents the net pension liability calculated using the current discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

	1.0% Decrease (6.00%)	Current Discount (7.00%)	1.0% Increase (8.00%)
Net Pension Liability	82,795	(256,295)	(536,035)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at June 30, 2015	\$ <u>1,745,401</u>	<u>2,176,515</u>	<u>(431,114)</u>
Changes for the year:			
Service Cost	325,513	-	325,513
Interest	106,466	-	106,466
Benefit changes	-	-	-
Difference between expected and actual experience	89,185	-	89,185
Changes in assumptions	-	-	-
Contributions - employer	-	169,028	(169,028)
Contributions - employee	-	136,761	(136,761)
Net investment income	-	42,160	(42,160)
Benefit payments, including refund of employee contributions	(448,927)	(448,927)	-
Administrative expense	-	(1,587)	1,587
Other changes	-	(17)	17
	<u>72,237</u>	<u>(102,582)</u>	<u>174,819</u>
Balance at June 30, 2016	\$ <u>1,817,638</u>	<u>2,073,933</u>	<u>(256,295)</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Roll Forward of the Total Pension Liability

	<u>Actual</u>	<u>Expected</u>
(a) TPL as of June 30, 2015	\$ 1,828,751	1,745,401
(b) Entry age normal cost for the period June 30, 2015- June 30,2016	304,218	304,218
(c) Actual benefit payments and refunds for the period June 30, 2015-June 30, 2016	448,927	448,927
(d) Changes in benefit terms	-	-
(e) TPL as of June 30, 2016 = (((a)+(b))*(1.07))-((c)*(1.035))+ (d)	1,817,638	1,728,453
(f) Difference between expected and actual experience		89,185

Changes in actuarial assumptions and methods

There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

Changes in benefit terms

There have been no changes in benefit terms since the previous measurement date.

Deferred Inflows and Outflows

At September 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 73,287	\$ 49,860
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	56,141	-
Employer contributions subsequent to the measurement date	<u>222,634</u>	<u>-</u>
Total	<u>\$ 352,062</u>	<u>\$ 49,860</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Amortization of Deferred (Inflows) and Outflows of Resources

Year ended June 30:		
2018	\$	6,328
2019		6,329
2020		33,489
2021		24,703
2022		8,719
Thereafter		-

Pension Expense

	June 30, 2016
Service Cost	\$ 325,513
Interest on the total pension liability	106,466
Current period benefit changes	-
Expensed portion of current period difference between expected and actual experience in the total pension liability	15,898
Expensed portion of current period changes of assumptions	-
Member contributions	(136,761)
Projected earnings on plan investments	(147,290)
Expensed portion of current period differences between actual and projected earnings on plan investments	21,026
Administrative expense	1,587
Other	17
Recognition of beginning deferred outflows of resources as pension expense	8,784
Recognition of beginning deferred inflows of resources as pension expense	<u>(39,380)</u>
Pension expense	<u>\$ 155,860</u>

Comprehensive annual financial reports that include financial statements and required supplementary information for the plan are available by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500 or from the VRS via web site at <http://www.varetire.org/Pdf/Publications/2016-annual-report.pdf>.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. COMPENSATED ABSENCES

The Authority currently provides its employees paid time off (PTO) and limited supplement (LS) in varying amounts according to tenure with the Authority. Upon voluntary termination from the Authority an employee will be paid for any unused PTO balance up to 75 hours. Limited Supplement is not vested nor paid upon termination. PTO accrued but not paid as of September 30, 2017 is carried as a liability while LS is expensed as used but not accrued.

10. ACCOUNTS RECEIVABLE

Accounts Receivable - Tenants

Accounts receivable - tenants for the Enterprise fund are shown at gross of \$120,346 less an allowance for doubtful accounts of \$54,473 for the year ended September 30, 2017.

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	Enterprise Fund
Accounts receivable - HUD	\$ 256,834
Accounts receivable - other government	11,060
Fraud recovery	40,865
Account receivable - PHA	141
Accounts receivable - management & development fees	30,141
Accounts receivable - miscellaneous	<u>22,290</u>
	<u>\$ 361,331</u>

11. INTERPROGRAM ACTIVITY

The Authority manages several programs. Many charges, such as payroll, benefits, insurance, etc. are paid by the Authority's revolving fund and subsequently reimbursed by the other various funds. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2017 consisted of the following:

Low rent and Capital Fund Program	\$ 34,604
ROSS	(28,240)
Housing Choice Vouchers	12,172
COCC	4,597
Business Activities	-
Shelter Plus	(4,597)
Jobs Plus Fund	<u>(18,536)</u>
	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

12. RESTRICTED CASH

The Authority's restricted cash consists of the following as of the end of the fiscal year:

	Enterprise Fund
Restricted for HAP Payments	\$ 292,904
Restricted for Tenant Security	153,485
Restricted for FSS Escrow	136,717
Restricted for Payment of Program Income	74,685
Restricted for Payment of Current Liability	<u>47,234</u>
	<u>\$ 705,025</u>

13. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at September 30, 2017 are as follows:

The Authority loaned funds to qualified homeowners through a home rehabilitation program. The Authority entered into a \$2,250,000 Note Purchase Agreement with SunTrust Bank to finance a portion of these mortgage loans with additional funds coming from the City of Roanoke. These mortgage loans are held by the Authority, and are collateralized by the single-family residences.

\$ 811,633

The Authority has a lease/purchase program for prospective homeowners. The purchasers of the homes finance their mortgages through banks, grants from other organizations and occasionally soft second mortgages from the Authority. These soft second mortgages are secured through deeds of trust and deferred purchase money notes bearing zero interest.

72,000

Note receivable with The Hancock Building LLC, payable in full upon default of loan agreement within a 10 year period due October 10, 2018. Unsecured and non-interest bearing.

90,444

Note receivable from Hurt Park, LP payable in full on February 5, 2045 with interest being waived and not forgiven. No principal due until payoff date.

316,000

Total	1,290,077
Less: current portion	<u>(151,032)</u>
Notes receivable, excluding current portion	<u>\$ 1,139,045</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

14. CAPITAL ASSETS

A summary of the Authority's Capital Assets at September 30, 2017 is as follows:

Enterprise Fund Detail:

	BUSINESS ACTIVITIES	CDBG	PUBLIC HOUSING & CAPITAL FUND	CHOICE NEIGHBORHOOD
Land and Improvements	\$ 84,004	3,472,285	13,013,289	-
Infrastructure	-	1,822,317	-	-
Building and Improvements	850,699	-	75,594,904	-
Furniture and Equipment	13,057	-	3,031,198	-
Construction in Process	-	-	3,870,858	-
Less: Accumulated Depreciation	<u>(732,919)</u>	<u>(688,470)</u>	<u>(63,436,375)</u>	<u>-</u>
Total Property and Equipment	<u>\$ 214,841</u>	<u>4,606,132</u>	<u>32,073,874</u>	<u>-</u>
	HOUSING CHOICE VOUCHERS	COCC	STATE/LOCAL	TOTAL
Land and Improvements	\$ -	-	7,000	16,576,578
Infrastructure	-	-	1,287,000	3,109,317
Building and Improvements	233,250	-	50,600	76,729,453
Furniture and Equipment	190,916	479,885	-	3,715,056
Construction in Process	-	6,800	-	3,877,658
Less: Accumulated Depreciation	<u>(328,830)</u>	<u>(328,521)</u>	<u>(616,940)</u>	<u>(66,132,055)</u>
Total Property and Equipment	<u>\$ 95,336</u>	<u>158,164</u>	<u>727,660</u>	<u>37,876,007</u>

Enterprise Fund Summary:

	October 1, 2016 Balance	Additions	Transfers & Deletions	September 30, 2017 Balance
Land	\$ 15,820,573	541,693	214,312	16,576,578
Construction in Process	<u>3,192,854</u>	<u>1,762,319</u>	<u>(1,077,515)</u>	<u>3,877,658</u>
Total Assets not being depreciated	19,013,427	2,304,012	(863,203)	20,454,236
Infrastructure	3,109,317	-	-	3,109,317
Buildings and Improvements	76,162,008	-	567,445	76,729,453
Furniture and Equipment	<u>3,234,528</u>	<u>337,511</u>	<u>143,017</u>	<u>3,715,056</u>
Total Property and Equipment	101,519,280	2,641,523	(152,741)	104,008,062
Less: Accumulated Depreciation	<u>(63,324,519)</u>	<u>(2,830,947)</u>	<u>23,411</u>	<u>(66,132,055)</u>
Net Book Value	<u>\$ 38,194,761</u>	<u>(189,424)</u>	<u>(129,330)</u>	<u>37,876,007</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. NOTES PAYABLE

Notes Payable

1. During the fiscal year ending September 30, 2007, the Authority issued a mortgage note payable to SunTrust Bank to fund capital activities related to private units owned by the Authority. The note bears interest at 6.95% and is payable in equal monthly installments of \$1,434. The amount of interest paid and charged to expense during the year was \$4,708. The note is secured by capital assets related to the Jamison and Downing Properties. The outstanding principal balance as of September 30, 2017 was \$60,908. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2018	\$ 13,392	3,812	47,516
2019	14,353	2,851	33,163
2020	15,383	1,821	17,780
2021	16,487	717	1,293
2022	<u>1,293</u>	<u>7</u>	-
Total Payments	\$ <u>60,908</u>	<u>9,208</u>	

2. Qualified homeowners participating in a home rehabilitation program were given mortgage loans by the Authority to repair their homes. The Authority entered into an agreement with the City of Roanoke to finance a portion of these mortgage loans through its CDBG and HOME funds. CDBG/HOME funded mortgage loan payments received by the Authority are due back to the City. Repayment from the Authority to the City of outstanding mortgages is deferred until payments are received from the homeowners. The Authority's outstanding balance included in long-term debt owed to the City for these loans as of September 30, 2017, is \$740,739. The current portion is \$10,712.

3. The Authority entered into a loan agreement with the City of Roanoke and the Hancock Building, LLC to loan funds provided by the City to The Hancock Building, LLC in the amount of \$880,000. This loan is interest free and the Authority is obligated to pay the City any amounts received from the The Hancock Building, LLC. The principal balance of this loan at September 30, 2017 was \$90,444. The current portion is \$88,000.

4. During the fiscal year ending September 30, 2015, the Authority entered into a loan agreement with Freedom First Federal Credit Union for a loan in the amount of \$850,000 to be used for the construction of 12 units on various lots in the City of Roanoke. The note bears an interest rate of 4.5% for 5 years and is payable in equal monthly installments of \$15,848. During 2017, \$22,393 in interest payments were made. The note is secured by payments from future capital grants received from HUD. The principal balance of this loan at September 30, 2017 was \$406,123.

Fiscal Year	Principal	Interest	Balance Due
2018	\$ 175,495	14,685	230,628
2019	183,557	6,623	47,071
2020	<u>47,071</u>	<u>353</u>	-
Total Payments	\$ <u>406,123</u>	<u>21,661</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. NOTES PAYABLE (continued)

A summary of the notes payable at September 30, 2017:

	Total	Current	Long Term
Jamison, Downing Properties	\$ 60,908	13,392	47,516
Replacement Housing Loan	406,123	175,495	230,628
CDBG/HOME Notes	740,739	10,712	730,027
Hancock Building Note	90,444	88,000	2,444
	<u>\$ 1,298,214</u>	<u>287,599</u>	<u>1,010,615</u>

16. ENTERPRISE FUND LONG-TERM LIABILITIES

Enterprise Fund Long-term liability activity for the year ended September 30, 2017, is as follows:

	October 1, 2016			September 30, 2017
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Accrued Compensated Absences	\$ 96,364	237,282	228,563	105,083
Accrued OPEB Liabilities	285,309	757,835	40,293	1,002,851
Notes Payable	1,868,892	-	570,678	1,298,214
Other Long Term Liabilities	134,447	116,147	101,642	148,952
Less: Current Portion	(415,696)	(22,834)	(33,607)	(404,923)
Long-Term Liabilities	<u>\$ 1,969,316</u>	<u>1,088,430</u>	<u>907,569</u>	<u>2,150,177</u>

17. RESTRICTED NET POSITION

The Authority's restricted net position for the year was \$292,904 restricted for HAP payments.

18. OTHER COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

19. RELATED PARTY TRANSACTIONS

Agreements with Stepping Stone, Limited Partnership (Component Unit)

The Authority and Stepping Stone, LP have entered an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 6% of collected rents. As of September 30, 2017, Stepping Stone, LP owed the Authority \$1,898 for property management services and had paid the Authority \$10,386 in management fees during the year.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

19. RELATED PARTY TRANSACTIONS (continued)

Agreements with Indian Village, Limited Partnership (Component Unit)

The Authority and Indian Village, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. As of September 30, 2017, Indian Village, LP owed the Authority \$1,748 in accrued management fees and expenses. During the year, the Partnership paid \$8,935 in management fees to the Authority.

Agreements with Park Street Housing, Limited Partnership (Component Unit)

The Authority and Park Street, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. RRHA has an outstanding loan with Park Street, LP of \$2,253,163. As of September 30, 2017 Park Street, LP owed the Authority \$11,178 in accrued management fees and expenses. During the year the partnership paid \$8,552 in management fees to the Authority.

Agreements with Hurt Park, Limited Partnership (Component Unit)

The Authority and Hurt Park, LP have entered into an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 6% of collected rents. As of September 30, 2017, Hurt Park, LP owed the Authority \$2,963 for property management services and had paid the Authority \$14,274 in management fees during the year.

20. USE OF ANOTHER AUDITOR'S WORK

According to Statements of Auditing Standards, an auditor may "Use the work and reports of other independent auditors who have audited the financial statements of one or more subsidiaries, divisions, branches, components, or investments included in the financial statements presented". When making the decision of whether to include said statements, the Principle Auditor, must take into consideration "the professional reputation and independence of the other auditor". During the Roanoke Redevelopment and Housing Authority audit, we elected to use another independent auditor's work for Stepping Stone, LP, Indian Village, LP, Park Street Housing, LP, Hurt Park, LP, and Roanoke Valley Housing Corporation based on the recommendation of the Housing Authority's management.

The aforementioned partnership audits for the year ended December 31, 2016 were performed by Dooley and Vicars, LLP, a highly regarded, independent auditing firm in Richmond, VA. All five audits had unqualified opinions with no findings.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

21. DIFFERENT REPORTING PERIODS

The Roanoke Redevelopment and Housing Authority has a September 30th year end and each of the five discrete component units have December 31st year ends. The December 31, 2016 financial statements for the component units are included in the Authority's September 30, 2017 basic financial statements in the component unit column. According to the Governmental Accounting Standards Board (GASB) Statement 14, paragraph 59.118, if a component unit has a year end differing from that of the reporting entity, the financial statements for the component unit's fiscal year ending during the reporting entity's fiscal year should be incorporated. Statement 14 continues if transactions between component units that have different fiscal years result in inconsistencies in amounts reported as due to or due from, and so forth, the nature and amount of those transactions should be disclosed in the notes to the financial statements.

<u>RRHA - Due to/Due from Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2016	2,137
Net Transfers from January 1, 2017 to September 30, 2017	<u>(239)</u>
Balance at September 30, 2017	<u><u>1,898</u></u>
 <u>RRHA - Due to/Due from Indian Village, LP</u>	 <u>DR (CR)</u>
Balance at December 31, 2016	1,205
Net Transfers from January 1, 2017 to September 30, 2017	<u>543</u>
Balance at September 30, 2017	<u><u>1,748</u></u>
 <u>RRHA - Due to/Due from Park Street Housing, LP</u>	 <u>DR (CR)</u>
Balance at December 31, 2016	2,259,868
Net Transfers from January 1, 2017 to September 30, 2017	<u>4,473</u>
Balance at September 30, 2017	<u><u>2,264,341</u></u>
 <u>RRHA - Due to/Due from Hurt Park, LP</u>	 <u>DR (CR)</u>
Balance at December 31, 2016	2,670
Net Transfers from January 1, 2017 to September 30, 2017	<u>293</u>
Balance at September 30, 2017	<u><u>\$ 2,963</u></u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

22. GRANTS

During the fiscal year ended September 30, 2017, the Authority closed the following grants:

Capital Fund Program <u>Grant Number</u>	Expenditures prior to fiscal <u>year 2017</u>	Expenditures for fiscal <u>year 2017</u>	Total <u>Expenditures</u>
VA36P011501-14	\$ 1,687,772	65,641	1,753,413

23. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 26, 2018, the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified by management.

24. OTHER POSTEMPLOYMENT BENEFITS

Benefit Description

The Authority participates in a healthcare plan managed by the Commonwealth of Virginia and administered by Anthem Blue Cross and Blue Shield. The health care plan is fully-insured and partially experienced-rated. The Authority subsidizes retiree medical health care coverage at various rates based upon age at retirement.

Benefit Policy

The Authority subsidizes 40%-80% of the medical insurance single premium rate for a retiree based on the age of the employee at retirement. The Authority does not subsidize spousal coverage and the retiree is responsible for any premium not covered by the Authority. The Authority has funded its retiree health benefits on a pay-as-you-go basis. The benefit offered to retirees was established and can be amended by the Authority's board of directors. All information regarding Other Postemployment Benefits is included in the Authority's Audited Financial report. The Other Postemployment Benefit Plan does not issue a separate stand-alone financial report. For the year ended September 30, 2017, the other postemployment benefits (OPEB) expense was \$155,648.

<u>Total OPEB Liability</u>	<u>As of 9/30/2017</u>
Actuarial Present Value of Future Benefits	
Retired - Employees & Spouses	\$82,988
Actives - Employees & Spouses	<u>1,564,303</u>
Total	<u>\$1,647,291</u>
Actuarial Accrued Liability	
Retired - Employees & Spouses	\$82,988
Actives - Employees & Spouses	<u>914,683</u>
Total	<u>\$997,671</u>

Roanoke Redevelopment and Housing Authority.

Notes to Financial Statements (continued)

24. OTHER POSTEMPLOYMENT BENEFITS (continued)

The Housing Authority early adopted GASB 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The Total OPEB Liability of the Housing Authority at September 30, 2017 was \$997,671.

There are no assets accumulated in a trust so the Net Fiduciary Position is \$0 and the Net OPEB Liability is equal to the Total OPEB Liability.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The chart below presents the total OPEB liability, calculated using the current healthcare cost trend rate of 7.5% decreasing to 5.0%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1 percentage point lower (6.5% decreasing to 4.0%) or 1 Percentage point higher (8.5% decreasing to 6.0%) than the current rate:

	1% Decrease 6.5% decreasing to <u>4%</u>	Current Healthcare Cost Trent Rate 7.5% decreasing to <u>5%</u>	1% Increase 8.5% decreasing to <u>6%</u>
Total OPEB Liability	936,160	997,671	1,065,468

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The chart below presents the total OPEB liability, calculated using the current discount rate of 3.64%, as well as the OPEB liability calculated using a discount rate that is 1 percentage point lower (2.64%) or 1 percentage point higher (4.64%) than the current rate:

	1% Decrease to <u>2.64%</u>	Current Discount Rate <u>3.64%</u>	1% Increase to <u>4.64%</u>
Total OPEB Liability	1,055,013	997,671	943,550

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

24. OTHER POSTEMPLOYMENT BENEFITS (continued)

Schedule of Changes in Total OPEB Liability	Fiscal Year Ending <u>9/30/17</u>
Total OPEB Liability - Beginning of Year	\$ 263,939
Conversion from GASB 45 to 75	<u>558,577</u>
Converted OPEB Liability - Beginning of Year	822,516
Service Cost	105,935
Interest	41,359
Changes in Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes in Assumptions	46,784
Benefit Payments	<u>(18,923)</u>
Net Change in Total OPEB Liability	175,155
Total OPEB Liability - End of Year	997,671
Covered Employee Payroll	3,172,776
Total OPEB Liability as a Percentage of the Covered Employee Payroll	31.44 %

OPEB Expense	Fiscal Year Ending <u>9/30/17</u>
Service Cost	\$ 105,935
Interest on Total OPEB Liability	41,359
Effect of Plan Changes	-
Administrative Expenses	-
Recognition of Deferred (Inflows)/Outflows of Resources	-
Economic/Demographic (Gains)/Losses	-
Assumption Changes	<u>8,354</u>
OPEB Expense	<u>\$ 155,648</u>

Expected Remaining Service Lives

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

24. OTHER POSTEMPLOYMENT BENEFITS (continued)

The amortization period for the October 1, 2016 to September 30, 2017 measurement period was determined as follows:

<u>As of September 30, 2017</u>	<u># of Members</u>	<u>Expected Remaining Service Lives</u>
Active Members	80	5.661
Inactive Members	1	-
Weighted Average Rounded to Nearest Tenth		5.6

Deferred Inflows and Outflows of Resources

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of September 30, 2017, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	-	38,430
Contributions made subsequent to measurement date	-	-
	<u>-</u>	<u>38,430</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

<u>Year Ending 9/30/17</u>	<u>Annual Recognition</u>
2018	\$ 8,354
2019	8,354
2020	8,354
2021	8,354
2022	5,014
Thereafter	-

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

24. OTHER POSTEMPLOYMENT BENEFITS (continued)

Schedule of Deferred Inflows and Outflows of Resources

	Original <u>Amount</u>	Date <u>Established</u>	Original Recognition <u>Period*</u>	Amount Recognized in Expense <u>9/30/17</u>	Balance of Deferred Inflows <u>9/30/17</u>	Balance of Deferred Outflows <u>9/30/17</u>
Economic/Demographic (Gains)/Losses	-	9/30/2017	5.6	-	-	-
Assumption Changes	46,784	9/30/2017	5.6	8,354	-	38,430

25. UNCERTAIN TAX POSITIONS

The Authority had no unrecognized tax benefits at September 30, 2017 and no open years prior to September 30, 2014. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

26. PRIOR PERIOD ADJUSTMENT

The implementation of GASB 75 resulted in recording the Deferred Outflows, Deferred Inflows and OPEB liability on the September 30, 2017 financial statements. Recording the new balances at the beginning of the year resulted in a decrease in net position of \$582,853. This adjustment created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

In addition the Authority recorded land of \$541,693 and note receivable of \$316,000 related to Hurt Park, that had been erroneously written off in a prior period. This adjustment resulted in an increase in net position of \$857,693.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners of the
Roanoke Redevelopment and Housing Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 26, 2018
Toms River, New Jersey

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Commissioners of the
Roanoke Redevelopment and Housing Authority:

Report on Compliance for Each Major Federal Program

We have audited Roanoke Redevelopment and Housing Authority's, (the "Authority"), compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion of Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



March 26, 2018
Toms River, New Jersey

Roanoke Redevelopment and Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2017

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Direct Awards:		
Public Housing	14.850	\$ 4,911,317
Housing Choice Vouchers	14.871	13,281,231
Mainstream	14.879	<u>244,930</u>
Total Cluster		13,526,161
PIH Family Self-Sufficiency Program	14.896	210,432
Public Housing Family Self-Sufficiency under ROSS	14.877	32,906
Resident Opportunity and Support Services	14.870	<u>109,078</u>
Total Cluster		352,416
Jobs Plus Pilot Program Grant	14.895	375,461
Public Housing Capital Fund Program	14.872	2,140,304
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	224,189
Community Development Block Grant	14.218	<u>128,096</u>
		<u>\$ 21,657,944</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Roanoke Redevelopment and Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. Loan Guarantees

At September 30, 2017, the Authority is not the guarantor of any loans outstanding, except as discussed in the notes to the financial statements.

3. Indirect Cost Rate

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2017

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material Weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|---|------------|
| 1. | Internal control over major programs: | |
| | a. Material Weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| 2. | Type of auditor's report issued on compliance for major programs: | |
| | Low Rent Public Housing | Unmodified |
| | Capital Fund Program | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (section .516(a)) | No |
| 4. | Dollar threshold used to determine Type A Programs: type A and B programs | \$750,000 |
| 5. | Auditee qualified as low risk? | Yes |

6. Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Low Rent Public Housing
14.872	Capital Fund

Roanoke Redevelopment and Housing Authority
Schedule of Findings and Questioned Costs (continued)

September 30, 2017

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

IV. Summary of Prior Audit Findings and Questioned Costs

None

Roanoke Redevelopment and Housing Authority
Schedule of Findings and Questioned Costs (continued)

September 30, 2017

Current year findings and questioned costs

None

Supplementary Information

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Roanoke Redevelopment and Housing Authority:

Report on the Financial Statements

We have audited the accompanying statement and certification for Choice Neighborhoods Planning Grant of the Roanoke Redevelopment and Housing Authority, (the "Authority"), as of September 30, 2017, and the related notes to the schedule.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on this statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the schedule referred to above present fairly, in all material respects, the statement and certification for choice neighborhoods planning grant of the Roanoke Redevelopment and Housing Authority as of September 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Report on Audited Financial Statements

We have audited, in accordance with auditing generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Roanoke Redevelopment and Housing Authority as of and for the year ended September 30, 2017, and our report thereon dated March 26, 2018, expressed an unmodified opinion on those financial statements.

March 26, 2018
Toms River, New Jersey

Roanoke Redevelopment and Housing Authority

Statement and Certification for Choice Neighborhoods Planning Grant Program

Grant #VA3F011CNP112

For the Year Ended September 30, 2017

1. The actual costs of the Choice Neighborhoods Planning Grant are as follows:

<u>Line Item:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Management Improvements	5,000	5,000	-
Administration	30,000	30,000	-
Fees and Costs	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Total	<u><u>200,000</u></u>	<u><u>200,000</u></u>	<u><u>-</u></u>

2. The statement/certification above is in agreement with the Authority's records.

3. All costs and liabilities related to the Choice Neighborhoods Planning Grant have been discharged and paid.

Roanoke Redevelopment and Housing Authority
Schedule of Changes in Employer's Net Pension Liability
For the Year Ended September 30, 2017

Change in the Net Pension Liability	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	325,513	345,298	349,221
Interest	106,466	99,660	75,160
Benefit changes	-	-	-
Difference between actual and expected experience	89,185	(74,302)	-
Assumption changes	-	-	-
Benefit payments, including refunds of contributions	<u>(448,927)</u>	<u>(97,929)</u>	<u>(50,830)</u>
Net change in total pension liability	72,237	272,727	373,551
Total pension liability - beginning	<u>1,745,401</u>	<u>1,472,674</u>	<u>1,099,123</u>
Total pension liability - ending	1,817,638	1,745,401	1,472,674
Plan fiduciary net position:			
Contributions - employer	169,028	169,738	130,328
Contributions - members	136,761	141,937	144,381
Net investment income	42,160	94,384	241,924
Benefit payments including refunds of contributions	(448,927)	(97,929)	(50,830)
Administrative expense	(1,587)	(1,051)	(1,101)
Other	<u>(17)</u>	<u>(22)</u>	<u>13</u>
Net change in plan fiduciary net position	(102,582)	307,057	464,715
Plan fiduciary net position - beginning	<u>2,176,515</u>	<u>1,869,458</u>	<u>1,404,743</u>
Plan fiduciary net position - ending	2,073,933	2,176,515	1,869,458
Net pension liability - ending	(256,295)	(431,114)	(396,784)
Plan fiduciary net position as a percentage of the total pension liability	114.10 %	124.70 %	126.94 %
Covered payroll	3,070,860	2,886,888	2,838,454
Net pension liability as a percentage of covered payroll	(8.35)%	(14.93)%	(13.98)%

Roanoke Redevelopment and Housing Authority

Employer Contribution Schedule

For the Year Ended September 30, 2017

Schedule of RRHA Pension Contribution

Year Ended <u>June 30</u>	Actuarially Determined Contribution <u>(a)</u>	Actual Contributions and Receivables Recognized by Pension Plan <u>(b)</u>	Actuarial less Actual Contributions <u>(c)</u>	Covered Payroll <u>(d)</u>	Actual Contributions as a Percentage of Covered Payroll <u>(b)/(d)</u>
2016	191,007	169,028	21,979	3,070,860	5.50 %
2015	179,564	169,738	9,826	2,886,888	5.88 %
2014	133,975	130,328	3,647	2,838,454	4.59 %

Roanoke Redevelopment and Housing Authority
Schedule of Changes in Total OPEB Liability
For the Year Ended September 30, 2017

Changes in Total OPEB Liability

<u>Schedule of Changes in Total OPEB Liability</u>	Fiscal Year Ending <u>9/30/17</u>
Total OPEB Liability - Beginning of Year	\$ 263,939
Conversion from GASB 45 to 75	<u>558,577</u>
Converted OPEB Liability - Beginning of Year	822,516
Service Cost	105,935
Interest	41,359
Changes in Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes in Assumptions	46,784
Benefit Payments	<u>(18,923)</u>
Net Change in Total OPEB Liability	175,155
Total OPEB Liability - End of Year	997,671
Covered Employee Payroll	3,172,776
Total OPEB Liability as a Percentage of the Covered Employee Payroll	31.44 %

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	ROSS 14.877	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238
111	Cash-unrestricted	8,447,452	798,342	147,474	-	-	-	-	-	-	-	2,413,765	-
112	Cash-restricted-modernization and development	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash-other restricted	52,480	377,063	78	-	-	-	-	-	45,453	29,232	-	-
114	Cash-tenant security deposits	147,695	-	-	-	-	-	-	-	-	-	-	-
115	Cash - Restricted for payment of current liability	-	46,807	427	-	-	-	-	-	-	-	-	-
100	Total Cash	8,647,627	1,222,212	147,979	-	-	-	-	-	45,453	29,232	2,413,765	-
121	Accounts receivable - PHA projects	-	141	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	14,409	-	-	-	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	185,921	-	-	-	-	-	-	-	-	-	-	-
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	27,892	26,128	2,484	-	-	-	-	-
122	Accounts receivable - HUD other projects	200,330	-	-	-	27,892	26,128	2,484	-	-	-	-	-
124	Account receivable - other government	-	-	-	-	-	-	-	-	5,074	1,389	-	4,597
125-050	Account receivable - miscellaneous - Other	7,193	-	-	-	-	-	-	-	545	442	-	-
125	Account receivable - miscellaneous	7,193	-	-	-	-	-	-	-	545	442	-	-
126	Accounts receivable - tenants	119,692	-	-	-	-	-	-	-	-	-	-	-
126	Allowance for doubtful accounts - tenants	(54,473)	-	-	-	-	-	-	-	-	-	-	-
126	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	5,405	5,307	140,320	-
128	Fraud recovery	-	124,449	-	-	-	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	(83,584)	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	95	-	-	-
120	Total receivables, net of allowance for doubtful accounts	272,742	41,006	-	-	27,892	26,128	2,484	-	11,119	7,138	140,320	4,597
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	201,804	17,347	-	-	-	-	-	-	-	-	-	333
144	Inter program - due from	34,604	12,172	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	1,562,696
150	Total Current Assets	9,156,777	1,292,737	147,979	-	27,892	26,128	2,484	-	56,572	36,370	4,117,114	4,597
161	Land	13,013,289	-	-	-	-	-	-	-	3,472,285	-	7,000	-
162	Buildings	75,594,904	233,250	-	-	-	-	-	-	-	-	50,600	-
163	Furniture, equipment and machinery - dwellings	1,077,500	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment and machinery - administration	1,953,698	190,916	-	-	-	-	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(63,436,375)	(328,830)	-	-	-	-	-	-	(688,470)	-	(616,940)	-
167	Construction in progress	3,870,858	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	1,822,317	-	1,287,000	-
160	Total capital assets, net of accumulated depreciation	32,073,874	95,336	-	-	-	-	-	-	4,606,132	-	727,660	-
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	-	-	-	-	-	-	-	-	137,475	592,566	93,004	-
171	Notes, Loans, & Mortgages receivable - Non-current	316,000	-	-	-	-	-	-	-	137,475	592,566	93,004	-
173	Grants receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
174-050	Other assets - Other	119,198	31,298	-	-	-	-	-	-	-	-	-	-
174	Other assets	119,198	31,298	-	-	-	-	-	-	-	-	-	-
180	Total Non-current Assets	32,509,072	126,634	-	-	-	-	-	-	4,743,607	592,566	820,664	-
190	Total Assets	41,665,849	1,419,371	147,979	-	27,892	26,128	2,484	-	4,800,179	628,936	4,937,778	4,597
200	Deferred Outflow of Resources	166,281	36,090	-	-	15,491	7,042	4,929	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	41,832,130	1,455,461	147,979	0	43,383	33,170	7,413	0	4,800,179	628,936	4,937,778	4,597
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable <= 90 days	199,342	66,894	-	-	12,120	2,331	1,132	-	-	-	-	198
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	32,872	9,173	-	-	4,334	2,787	758	-	-	-	-	-
322	Accrued compensated absences - current portion	45,036	6,559	-	-	3,277	1,382	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	1,269	-	-	-	-	-	-	-	95	-	-	-
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-
331-030	Accounts payable - HUD PHA Programs - Other	-	-	427	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	427	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	139,705	-	-	-	-	-	-	-	52,629	31,063	325,868	-
341	Tenant security deposits	147,695	-	-	-	-	-	-	-	-	-	-	-
342-010	Unearned revenue - Operating Subsidy	6,317	-	-	-	-	-	-	-	-	-	-	-
342-020	Unearned revenue - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-
342-030	Unearned revenue - Other	27,264	-	-	-	-	-	-	-	-	-	-	-
342	Unearned revenue	33,581	-	-	-	-	-	-	-	-	-	-	-

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	ROSS 14.877	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238
343-010	CFFP	175,495											
343-020	Capital Projects/ Mortgage Revenue	-											
343	Curr portion long-term debt - capital projs/mortg revenue bonds	175,495			-							-	
345	Other current liabilities	18,891	10,041		-							-	
346	Accrued liabilities - other	-			-							-	
347	Inter program - due to	-			-	18,536	24,345	3,895				-	4,597
348-020	Loan liability - current - Partnership	-											
348-040	Loan liability - current - Tax Credit	-											
348-050	Loan liability - current - Other	-								5,405	5,307	88,000	
348	Loan liability - current	-	-		-	-	-	-	-	5,405	5,307	88,000	-
310	Total Current Liabilities	793,886	92,667	427	-	38,267	30,845	5,785	-	58,129	36,370	414,066	4,597
												-	
351-010	Long-term debt - CFFP	230,628											
351-020	Long-term - Capital Projects/ Mortgage Revenue	-											
351	Capital Projects- Mortgages/ Revenue Bonds	230,628			-							-	
352	Long-term debt, net of current - operating borrowings	-			-							-	
353	Non-current liabilities - other	52,473	84,160	78	-							-	
354	Accrued compensated absences- Non-current	-			-							-	
355-050	Loan liability - Non-current - Other	-								137,461	592,566	2,444	
	Other - Comment												
355	Loan liability - Non-current	-	-	-	-	-	-	-	-	137,461	592,566	2,444	-
357-010	Pension Liability	-				2,922	1,328	930					
357-020	OPEB Liability	525,026	111,899										
357	Accrued Pension and OPEB Liability	525,026	111,899	-	-	2,922	1,328	930	-	-	-	-	-
350	Total Non-current liabilities	808,127	196,059	78	-	2,922	1,328	930	-	137,461	592,566	2,444	-
300	Total Liabilities	1,602,013	288,726	505	-	41,189	32,173	6,715	-	195,590	628,936	416,510	4,597
400	Deferred Inflow of Resources	21,141	4,487		-	2,194	997	698				-	
508.4	Invested in capital assets, net of related debt	31,667,751	95,336	-	-	-	-	-	-	4,606,132	-	727,660	-
511.4	Restricted Net Position	-	292,904										
512.4	Unrestricted Net Position	8,541,225	774,008	147,474	-	-	-	-	-	(1,543)		3,793,608	
513	Total Equity/Net Assets/Position	40,208,976	1,162,248	147,474	-	-	-	-	-	4,604,589	-	4,521,268	-
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	41,832,130	1,455,461	147,979	-	43,383	33,170	7,413	-	4,800,179	628,936	4,937,778	4,597

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	ROSS 14.877	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238
70300	Net tenant rental revenue	3,250,634			-								-
70400	Tenant revenue - other	164,715			-								-
70500	Total Tenant Revenue	3,415,349	-	-	-	-	-	-	-	-	-	-	-
70600-010	Housing assistance payments	-	12,436,419	228,300	-								217,659
70600-020	Ongoing administrative fees earned	-	1,064,973	24,633	-								6,530
70600-030	FSS Coordinator	-			-								-
70600	HUD PHA operating grants	5,129,424	13,501,392	252,933	-	375,461	210,432	109,078	32,906	3,610	-	-	224,189
70610	Capital grants	1,922,197			-								-
70710	Management Fee	-											
70720	Asset Management Fee	-											
70730	Book-Keeping Fee	-											
70740	Front Line Service Fee	-											
70750	Other Fees	-											
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-			-					133		8,596	
71100-010	Housing Assistance Payment	-			-								
71100-020	Administrative Fee	-			-								
71100	Investment income - unrestricted	16,212	-	-	-								
71200	Mortgage interest income	-			-					1,208		4,938	
71300	Proceeds from disposition of assets held for sale	451,100			-								
71310	Cost of sale of assets	(590,507)			-								
71400-010	Housing Assistance Payment	-	50,829		-								
71400-020	Administrative Fee	-	50,829		-								
71400	Fraud recovery	-	101,658	-	-								
71500	Other revenue	143,853	100,604		-					62,107		49,178	
71600	Gain or loss on sale of capital assets	-			-								
72000-010	Housing Assistance Payment	-			-								
72000-020	Administrative Fee	-			-								
72000	Investment income - restricted	-			-								
70000	Total Revenue	10,487,628	13,703,654	252,933	-	375,461	210,432	109,078	32,906	67,058	-	62,712	224,189
91100	Administrative salaries	445,586	310,222	7,521	-							1,400	2,561
91200	Auditing fees	15,973	16,898	725	-								524
91300-010	To PHA Administered Program (i.e. COCC)	1,126,556	196,043		-								
91300-020	To Third Party/Outside Entity	-			-								
91300	Management Fees	1,126,556	196,043		-								
91310	Book-Keeping Fee	114,675	163,710		-								
91400	Advertising and Marketing	19,701	429		-								
91500	Employee Benefit contributions - Administrative	170,082	117,887	2,412	-							452	1,969
91600	Office Expenses	212,758	8,300		-								
91700	Legal Expense	66,618	3,546	82	-				1,500			5,617	75
91800	Travel	5,042	3,313	77	-								66
91810	Allocated Overhead	-			-								
91900	Other	135,059	96,266	2,057	-				2,110			1,240	1,630
91000	Total Operating-Administrative	2,312,050	916,614	12,874	-	-	-	-	-	3,610	-	8,709	6,825
92000	Asset Management Fee	153,000											
92100	Tenant services - salaries	86,180	3,730		-	165,819	108,310	67,045	3,784				
92200	Relocation Costs	-			-								
92300	Employee benefit contributions - tenant services	40,802	4,057		-	33,445	21,530	18,572	1,211				
92400	Tenant services - other	65,703	6,431		-	166,688	74,486	23,461	27,911				
92500	Total Tenant Services	192,685	14,218	-	-	365,952	204,326	109,078	32,906	-	-	-	-
93100	Water	401,010	1,156	26	-								21
93200	Electricity	612,864	1,432	33	-								27
93300	Gas	428,505	1,766	41	-								34
93400	Fuel	-			-								
93500	Labor	-			-								
93600	Sewer	418,486	1,087	25	-							119	21
93700	Employee benefit contributions - utilities	-			-								
93750	HAP Portability-In	-			-								
93800	Other utilities expense	-			-								
93000	Total Utilities	1,860,865	5,441	125	-	-	-	-	-	-	-	119	103
94100	Ordinary maint & operations-labor	693,892			-								
94200	Ordinary maint & operations-materials and other	441,771	1,101		-								273
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal	202,873			-								

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	ROSS 14.877	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238
94300-020	Ordinary maint & operations contracts-Heating & Cooling	130,672			-							-	
94300-030	Ordinary maint & operations contracts-Snow Removal	-			-							-	
94300-040	Ordinary maint & operations contracts-Elevator Maint	27,722			-							-	
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	159,252			-							1,082	
94300-060	Ordinary maint & operations contracts-Unit Turnaround	70,398			-							-	
94300-070	Ordinary maint & operations contracts-Electrical	129,858			-							-	
94300-080	Ordinary maint & operations contracts-Plumbing	103,342			-							-	
94300-090	Ordinary maint & operations contracts-Extermination	77,781			-							-	
94300-100	Ordinary maint & operations contracts-Janitorial	9,150	4,109		-							-	
94300-110	Ordinary maint & operations contracts-Routine Maint	376,479			-							-	
94300-120	Ordinary maint & operations contracts-Misc	88,472	945	137	-							-	112
94300	Ordinary Maintenance and Operations Contracts	1,375,999	5,054	137	-	-	-	-	-	-	-	1,082	112
94500	Ordinary maint- Employee benefit contributions	255,176			-							-	
94000	Total Maintenance	2,766,838	6,155	137	-	-	-	-	-	-	-	1,355	112
95100	Protective services - labor	-			-							-	
95200	Protective services - other contract costs (police)	91,592			-							-	
95300	Protective services - other	69,404			-							-	
95500	Protective services - Employee benefit contributions	-			-							-	
95000	Total Protective Services	160,996	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	167,700			-							126	
96120	Liability Insurance	68,225	6,025	267	-					133		42	219
96130	Workmen's Compensation	23,363	4,717		-							-	
96140	All other Insurance	1,028	853		-							-	
96100	Total insurance Premiums	260,316	11,595	267	-	-	-	-	-	133	-	168	219
96200	Other general expenses (FSS Escrow)	50,046			-					63,315		45,000	
96210	Compensated absences	97,490	22,598		-	9,509	6,106					-	
96300	Payments in lieu of taxes	139,705			-							461	
96400	Bad debt - tenant rents	102,964			-							-	
96500	Bad debt - mortgages	-			-							-	
96600	Bad debt - other	-	10,248		-							-	
96800	Severance expense	-			-							-	
96000	Total Other General Expenses	390,205	32,846	-	-	9,509	6,106	-	-	63,315	-	45,461	-
96710	Interest of Mortgage (or Bonds) Payable	21,870			-							-	
96720-010	Interest on EPC Related Debt	-			-							-	
96720-020	Interest on All Other Debt	-			-							-	
96720	Interest on Notes Payable (Short and Long Term)	-			-							-	
96730	Amortization of Bond Issue Costs	1,669			-							-	
96700	Interest expense and Amortization cost	23,539	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	8,120,494	986,869	13,403	-	375,461	210,432	109,078	32,906	67,058	-	55,812	7,259
97000	Excess Revenue Over Operating Expenses	2,367,134	12,716,785	239,530	-	-	-	-	-	-	-	6,900	216,930
97100	Extraordinary maintenance	452,291			-							-	
97200	Casualty losses- Non-capitalized	8,886	1,384		-							-	
97300-010	Mainstream 1 & 5 year	-		231,449	-							-	
97300-020	Home-Ownership	-	59,475		-							-	
97300-025	Litigation	-			-							-	
97300-030	Hope IV	-			-							-	
97300-035	Moving to Work	-			-							-	
97300-040	Tenant Protection	-	250,108		-							-	
97300-050	All Other	-	11,927,505	78	-							-	216,930
97300	Housing assistance payments	-	12,237,088	231,527	-							-	216,930
97350	HAP Portability In	-	48,473		-							-	
97400	Depreciation expense	2,691,881	7,417		-					61,038		42,899	
97500	Fraud losses	-			-							-	
97800	Dwelling units rent expense	-			-							-	
90000	Total Expenses	11,273,552	13,281,231	244,930	-	375,461	210,432	109,078	32,906	128,096	-	98,711	224,189
10010	Operating transfer in	17,529			-							-	
10020	Operating transfer out	(17,529)			-							-	
10070	Extraordinary items, net gain/loss	-			-							-	
10080	Special items, net gain/loss	-			-							-	
10091	Inter AMP Excess Cash Transfer In	501,000			-							-	
10092	Inter AMP Excess Cash Transfer Out	(501,000)			-							-	
10093	Transfers between Program and Project - IN	-			-							-	

FDS #	Description	Total AMPs	S8 HCV Fund 306 14,871	S8 MAINSTREAM Fund 310 14,879	S8 Mod Rehab Prgrms Combined 14,856	Jobs Plus Fund 601 14,895	ROSS 14,896	ROSS 14,870	ROSS 14,877	CDBG 14,218	HOME 14,239	STATE/ LOCAL	2015 Shelter Plus Care 14,238
10094	Transfers between Program and Project - Out	-			-							-	
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(785,924)	422,423	8,003	-	-	-	-	-	(61,038)	-	(35,999)	-
11020	Required Annual Debt Principal Payments	167,787			-	-	-			5,268	5,887	88,000	
11030	Beginning equity	40,387,887	803,838	139,471	-		-			4,665,627	-	4,557,267	
11040-010	Prior period adjustments and correction of errors - Editable	857,693			-							-	
11040-020	Prior period adjustments and correction of errors - GASB 75	(250,680)	(64,013)		-							-	
11040-070	Equity Transfers (UNRESTRICTED)	-			-							-	
11040-080	Equity Transfers (RESTRICTED)	-			-							-	
11040-090	Equity Transfers	-			-							-	
11040-100	Equity Transfers	-			-							-	
11040-110	Equity Transfers	-			-							-	
11040	Prior period adjustments, equity transfers, & correction of errors	607,013	(64,013)	-	-	-	-	-	-	-	-	-	-

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
111	Cash-unrestricted	614,996	1,369,457		13,791,486	481,456	14,272,942
112	Cash-restricted-modernization and development	-	-		-	-	-
113	Cash-other restricted	-	-		504,306	571,755	1,076,061
114	Cash-tenant security deposits	5,790	-		153,485	29,432	182,917
115	Cash - Restricted for payment of current liability	-	-		47,234	-	47,234
100	Total Cash	620,786	1,369,457	-	14,496,511	1,082,643	15,579,154
121	Accounts receivable - PHA projects	-	-		141	-	141
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-		14,409	-	14,409
122-020	Accounts receivable - HUD other projects - Capital fund	-	-		185,921	-	185,921
122-030	Accounts receivable - HUD other projects - Other	-	-		56,504	-	56,504
122	Accounts receivable - HUD other projects	-	-	-	256,834	-	256,834
124	Account receivable - other government	-	-		11,060	-	11,060
125-050	Account receivable - miscellaneous - Other	-	693,310	(679,200)	22,290	-	22,290
125	Account receivable - miscellaneous	30,141	693,310	(679,200)	52,431	-	52,431
126	Accounts receivable - tenants	654	-		120,346	29,592	149,938
126	Allowance for doubtful accounts - tenants	-	-		(54,473)	(5,145)	(59,618)
126	Allowance for doubtful accounts - other	-	-		-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-		151,032	-	151,032
128	Fraud recovery	-	-		124,449	-	124,449
128	Allowance for doubtful accounts - fraud	-	-		(83,584)	-	(83,584)
129	Accrued interest receivable	-	-		95	-	95
120	Total receivables, net of allowance for doubtful accounts	30,795	693,310	(679,200)	578,331	24,447	602,778
131	Investments - unrestricted	-	-		-	-	-
132	Investments - restricted	-	-		-	-	-
142	Prepaid expenses and other assets	5,897	29,787		255,168	30,266	285,434
144	Inter program - due from	-	4,597	(51,373)	-	-	-
145	Assets held for sale	-	-		1,562,696	-	1,562,696
150	Total Current Assets	657,478	2,097,151	(730,573)	16,892,706	1,137,356	18,030,062
161	Land	84,004	-		16,576,578	2,983,483	19,560,061
162	Buildings	850,699	-		76,729,453	19,829,764	96,559,217
163	Furniture, equipment and machinery - dwellings	-	-		1,077,500	217,711	1,295,211
164	Furniture, equipment and machinery - administration	13,057	479,885		2,637,556	-	2,637,556
165	Leasehold improvements	-	-		-	-	-
166	Accumulated depreciation	(732,919)	(328,521)		(66,132,055)	(6,198,357)	(72,330,412)
167	Construction in progress	-	6,800		3,877,658	-	3,877,658
168	Infrastructure	-	-		3,109,317	-	3,109,317
160	Total capital assets, net of accumulated depreciation	214,841	158,164	-	37,876,007	16,832,601	54,708,608
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	-	-		823,045	-	823,045
171	Notes, Loans, & Mortgages receivable - Non-current	-	-	-	1,139,045	-	1,139,045
173	Grants receivable - Non-current	-	-		-	-	-
174-040	Other assets - Tax Credit	-	-		-	-	-
174-050	Other assets - Other	8,680	102,298		261,474	16,182	277,656
174	Other assets	8,680	102,298	-	261,474	16,182	277,656
180	Total Non-current Assets	223,521	260,462	-	39,276,526	16,848,783	56,125,309
190	Total Assets	880,999	2,357,613	(730,573)	56,169,232	17,986,139	74,155,371
200	Deferred Outflow of Resources	12,634	148,026	-	390,493	-	390,493
290	Total Assets and Deferred Outflow of Resources	893,633	2,505,639	(730,573)	56,559,725	17,986,139	74,545,864
311	Bank overdraft	-	-		-	-	-
312	Accounts payable <= 90 days	3,665	52,757		338,439	21,208	359,647
313	Accounts payable > 90 days past due	-	-		-	-	-
321	Accrued wage/payroll taxes payable	2,299	28,577		80,800	-	80,800
322	Accrued compensated absences - current portion	2,190	46,639		105,083	-	105,083
324	Accrued contingency liability	-	-		-	-	-
325	Accrued interest payable	-	-		1,364	10,842	12,206
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-		-	-	-
331-030	Accounts payable - HUD PHA Programs - Other	-	-		427	-	427
331	Accounts payable - HUD PHA Programs	-	-	-	427	-	427
332	Accounts payable - PHA Projects	-	-		-	-	-
333	Accounts payable - other government	-	-		549,265	-	549,265
341	Tenant security deposits	5,790	-		153,485	29,500	182,985
342-010	Unearned revenue - Operating Subsidy	-	-		6,317	-	6,317
342-020	Unearned revenue - Capital fund	-	-		-	-	-
342-030	Unearned revenue - Other	353	5,917		33,534	5,969	39,503
342	Unearned revenue	353	5,917	-	39,851	5,969	45,820

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
343-010	CFFP	-	-	-	175,495	-	175,495
343-020	Capital Projects/ Mortgage Revenue	-	-	-	-	-	-
343	Curr portion long-term debt - capital projs/mortg revenue bonds	13,392	-	-	188,887	79,679	268,566
345	Other current liabilities	-	-	-	28,932	-	28,932
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	-	-	(51,373)	-	-	-
348-020	Loan liability - current - Partnership	-	-	-	-	462	462
348-040	Loan liability - current - Tax Credit	-	-	-	-	-	-
348-050	Loan liability - current - Other	-	-	-	98,712	-	98,712
348	Loan liability - current	-	-	-	98,712	462	99,174
310	Total Current Liabilities	27,689	133,890	(51,373)	1,585,245	147,660	1,732,905
351-010	Long-term debt - CFFP	-	-	-	230,628	-	230,628
351-020	Long-term - Capital Projects/ Mortgage Revenue	47,516	-	-	47,516	-	47,516
351	Capital Projects- Mortgages/ Revenue Bonds	47,516	-	-	278,144	6,902,443	7,180,587
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	-	136,711	1,283,301	1,420,012
354	Accrued compensated absences- Non-current	-	-	-	-	-	-
355-050	Loan liability - Non-current - Other	-	-	-	732,471	-	732,471
	Other - Comment	-	-	-	-	-	-
355	Loan liability - Non-current	-	-	-	732,471	-	732,471
357-010	Pension Liability	-	-	-	5,180	-	5,180
357-020	OPEB Liability	42,275	997,671	(679,200)	997,671	-	997,671
357	Accrued Pension and OPEB Liability	42,275	997,671	(679,200)	1,002,851	-	1,002,851
350	Total Non-current liabilities	89,791	997,671	(679,200)	2,150,177	8,185,744	10,335,921
300	Total Liabilities	117,480	1,131,561	(730,573)	3,735,422	8,333,404	12,068,826
400	Deferred Inflow of Resources	1,596	18,747	-	49,860	-	49,860
508.4	Invested in capital assets, net of related debt	153,933	158,164	-	37,408,976	9,850,479	47,259,455
511.4	Restricted Net Position	-	-	-	292,904	571,755	864,659
512.4	Unrestricted Net Position	620,624	1,197,167	-	15,072,563	(769,499)	14,303,064
513	Total Equity/Net Assets/Position	774,557	1,355,331	-	52,774,443	9,652,735	62,427,178
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	893,633	2,505,639	(730,573)	56,559,725	17,986,139	74,545,864

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
70300	Net tenant rental revenue	161,519	-	-	3,412,153	734,717	4,146,870
70400	Tenant revenue - other	1,357	-	-	166,072	11,772	177,844
70500	Total Tenant Revenue	162,876	-	-	3,578,225	746,489	4,324,714
70600-010	Housing assistance payments	-	-	-	12,882,378	-	12,882,378
70600-020	Ongoing administrative fees earned	-	-	-	1,096,136	-	1,096,136
70600-030	FSS Coordinator	-	-	-	-	-	-
70600	HUD PHA operating grants	-	-	-	19,839,425	-	19,839,425
70610	Capital grants	-	-	-	1,922,197	-	1,922,197
70710	Management Fee	-	1,411,889	(1,411,889)	-	-	-
70720	Asset Management Fee	-	153,000	(153,000)	-	-	-
70730	Book-Keeping Fee	-	278,385	(278,385)	-	-	-
70740	Front Line Service Fee	-	315,963	(315,963)	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	2,159,237	(2,159,237)	-	-	-
70800	Other government grants	-	-	-	8,729	-	8,729
71100-010	Housing Assistance Payment	-	-	-	-	-	-
71100-020	Administrative Fee	-	-	-	-	-	-
71100	Investment income - unrestricted	-	-	-	16,212	727	16,939
71200	Mortgage interest income	-	-	-	6,146	-	6,146
71300	Proceeds from disposition of assets held for sale	-	-	-	451,100	-	451,100
71310	Cost of sale of assets	-	(4,500)	-	(595,007)	-	(595,007)
71400-010	Housing Assistance Payment	-	-	-	50,829	-	50,829
71400-020	Administrative Fee	-	-	-	50,829	-	50,829
71400	Fraud recovery	-	-	-	101,658	-	101,658
71500	Other revenue	241,624	108,000	(22,230)	683,136	3,620	686,756
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-
72000-010	Housing Assistance Payment	-	-	-	-	-	-
72000-020	Administrative Fee	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-
70000	Total Revenue	404,500	2,262,737	(2,181,467)	26,011,821	750,836	26,762,657
91100	Administrative salaries	61,518	1,054,809	-	1,883,617	37,439	1,921,056
91200	Auditing fees	361	6,887	-	41,368	3,700	45,068
91300-010	To PHA Administered Program (i.e. COCC)	89,290	-	(1,411,889)	-	43,432	43,432
91300-020	To Third Party/Outside Entity	-	-	-	-	40,198	40,198
91300	Management Fees	89,290	-	(1,411,889)	-	83,630	83,630
91310	Book-Keeping Fee	-	-	(278,385)	-	-	-
91400	Advertising and Marketing	-	742	-	20,872	-	20,872
91500	Employee Benefit contributions - Administrative	22,926	408,849	-	724,577	-	724,577
91600	Office Expenses	31	105,757	-	326,846	23,578	350,424
91700	Legal Expense	4,669	37,640	-	119,747	295	120,042
91800	Travel	4,372	9,666	-	22,536	42	22,578
91810	Allocated Overhead	-	-	-	-	-	-
91900	Other	30,394	9,361	(148,524)	129,593	11,260	140,853
91000	Total Operating-Administrative	213,561	1,633,711	(1,838,798)	3,269,156	159,944	3,429,100
92000	Asset Management Fee	-	-	(153,000)	-	-	-
92100	Tenant services - salaries	-	-	-	434,868	-	434,868
92200	Relocation Costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	119,617	-	119,617
92400	Tenant services - other	734	102,793	(26,055)	442,152	-	442,152
92500	Total Tenant Services	734	102,793	(26,055)	996,637	-	996,637
93100	Water	1,105	6,247	-	409,565	19,764	429,329
93200	Electricity	1,368	7,517	-	623,241	9,959	633,200
93300	Gas	223	9,247	-	439,816	2,722	442,538
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	1,800	5,475	-	427,013	17,897	444,910
93700	Employee benefit contributions - utilities	-	-	-	-	-	-
93750	HAP Portability-In	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total Utilities	4,496	28,486	-	1,899,635	50,342	1,949,977
94100	Ordinary maint & operations-labor	40,666	65,295	-	799,853	19,766	819,619
94200	Ordinary maint & operations-materials and other	18,979	6,439	-	468,563	35,242	503,805
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal	187	-	-	203,060	12,385	215,445

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
94300-020	Ordinary maint & operations contracts-Heating & Cooling	467	-	-	131,139	5,952	137,091
94300-030	Ordinary maint & operations contracts-Snow Removal	-	-	-	-	-	-
94300-040	Ordinary maint & operations contracts-Elevator Maint	-	-	-	27,722	-	27,722
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	8,385	-	-	168,719	23,852	192,571
94300-060	Ordinary maint & operations contracts-Unit Turnaround	-	-	-	70,398	25,422	95,820
94300-070	Ordinary maint & operations contracts-Electrical	11,316	-	(99,626)	41,548	679	42,227
94300-080	Ordinary maint & operations contracts-Plumbing	-	-	-	103,342	1,419	104,761
94300-090	Ordinary maint & operations contracts-Extermination	1,798	-	-	79,579	5,453	85,032
94300-100	Ordinary maint & operations contracts-Janitorial	-	15,263	-	28,522	1,455	29,977
94300-110	Ordinary maint & operations contracts-Routine Maint	350	-	(44,173)	332,656	8,662	341,318
94300-120	Ordinary maint & operations contracts-Misc	57,139	2,114	(19,815)	129,104	2,929	132,033
94300	Ordinary Maintenance and Operations Contracts	79,642	17,377	(163,614)	1,315,789	88,208	1,403,997
94500	Ordinary maint- Employee benefit contributions	14,880	23,485	-	293,541	-	293,541
94000	Total Maintenance	154,167	112,596	(163,614)	2,877,746	143,216	3,020,962
95100	Protective services - labor	-	-	-	-	-	-
95200	Protective services - other contract costs (police)	-	-	-	91,592	-	91,592
95300	Protective services - other	-	-	-	69,404	2,196	71,600
95500	Protective services - Employee benefit contributions	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	160,996	2,196	163,192
96110	Property Insurance	2,839	-	-	170,665	55,672	226,337
96120	Liability Insurance	1,207	1,241	-	77,359	5,870	83,229
96130	Workmen's Compensation	1,612	20,759	-	50,451	309	50,760
96140	All other Insurance	1,099	1,705	-	4,685	344	5,029
96100	Total insurance Premiums	6,757	23,705	-	303,160	62,195	365,355
96200	Other general expenses (FSS Escrow)	-	12,000	-	170,361	98,899	269,260
96210	Compensated absences	4,449	97,130	-	237,282	-	237,282
96300	Payments in lieu of taxes	-	-	-	140,166	-	140,166
96400	Bad debt - tenant rents	909	-	-	103,873	4,487	108,360
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	10,248	-	10,248
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	5,358	109,130	-	661,930	103,386	765,316
96710	Interest of Mortgage (or Bonds) Payable	4,708	-	-	26,578	137,227	163,805
96720-010	Interest on EPC Related Debt	-	-	-	-	-	-
96720-020	Interest on All Other Debt	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	1,669	1,566	3,235
96700	Interest expense and Amortization cost	4,708	-	-	28,247	138,793	167,040
96900	Total Operating Expenses	389,781	2,010,421	(2,181,467)	10,197,507	660,072	10,857,579
97000	Excess Revenue Over Operating Expenses	14,719	252,316	-	15,814,314	90,764	15,905,078
97100	Extraordinary maintenance	-	-	-	452,291	-	452,291
97200	Casualty losses- Non-capitalized	-	-	-	10,270	-	10,270
97300-010	Mainstream 1 & 5 year	-	-	-	231,449	-	231,449
97300-020	Home-Ownership	-	-	-	59,475	-	59,475
97300-025	Litigation	-	-	-	-	-	-
97300-030	Hope IV	-	-	-	-	-	-
97300-035	Moving to Work	-	-	-	-	-	-
97300-040	Tenant Protection	-	-	-	250,108	-	250,108
97300-050	All Other	-	-	-	12,144,513	-	12,144,513
97300	Housing assistance payments	-	-	-	12,685,545	-	12,685,545
97350	HAP Portability In	-	-	-	48,473	-	48,473
97400	Depreciation expense	17,049	10,663	-	2,830,947	684,919	3,515,866
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total Expenses	406,830	2,021,084	(2,181,467)	26,225,033	1,344,991	27,570,024
10010	Operating transfer in	-	-	(17,529)	-	-	-
10020	Operating transfer out	-	-	17,529	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In	-	-	(501,000)	-	-	-
10092	Inter AMP Excess Cash Transfer Out	-	-	501,000	-	-	-
10093	Transfers between Program and Project - IN	-	-	-	-	-	-

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
10094	Transfers between Program and Project - Out	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(2,330)	241,653	-	(213,212)	(594,155)	(807,367)
11020	Required Annual Debt Principal Payments	12,495	-	-	279,437	77,030	356,467
11030	Beginning equity	796,772	1,361,953	-	52,712,815	10,246,890	62,959,705
11040-010	Prior period adjustments and correction of errors - Editable	-	-	-	857,693	-	857,693
11040-020	Prior period adjustments and correction of errors - GASB 75	(19,885)	(248,275)	-	(582,853)	-	(582,853)
11040-070	Equity Transfers (UNRESTRICTED)	-	-	-	-	-	-
11040-080	Equity Transfers (RESTRICTED)	-	-	-	-	-	-
11040-090	Equity Transfers	-	-	-	-	-	-
11040-100	Equity Transfers	-	-	-	-	-	-
11040-110	Equity Transfers	-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, & correction of errors	(19,885)	(248,275)	-	274,840	-	274,840

Independent Accountant's Report on Applying
Agreed-Upon Procedures

To Roanoke Redevelopment and Housing Authority:

We have performed the procedure described in the second paragraph of this report, which was agreed to by Roanoke Redevelopment and Housing Authority and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. Roanoke Redevelopment and Housing Authority is responsible for accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with Audits of States, Local Governments, and Non-profit Organizations, of the financial statements of Roanoke Redevelopment and Housing Authority as of and for the year ended September 30, 2017, and have issued our reports thereon dated March 26, 2018. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental financial data templates dated March 26, 2018, was expressed in relation to the basic financial statements of Roanoke Redevelopment and Housing Authority taken as a whole.

A copy of the financial statement package required by the Uniform Guidance, which includes the auditor's reports is available in its entirety from Roanoke Redevelopment and Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of Roanoke Redevelopment and Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

March 26, 2018
Toms River, New Jersey



Attachment to Independent Accountant's Report on Applying
Agreed-Upon Procedures

UFRS Rule Information	Hard Copy Document(s)	Findings
Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedules, all CFDAs	Agrees
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
Type of Opinion on the Financial Data Schedule (data element G5100-010)	Auditor's supplemental report on Financial Data Schedule	Agrees
Audit Findings Narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
General information (data element series G2000, G2100, G2200, G2300, G9000, G9100)	OMB Data Collection Form	Agrees
Financial statement report information (data element G3000-010 to G3000-050, G3100-010 to G3100-030, G3200-010 to G3200-030, G3300-010 to G3300-060, G3400-010 to G3400-020)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form.	Agrees
Federal program report information (data element G4000-010 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form.	Agrees
Federal agencies required to receive reporting package (data element G4000-050)	OMB Data Collection Form	Agrees
Basic financial statements and auditor's reports required to be submitted electronically.	Basic financial statements (inclusive of auditor reports)	Agrees